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IN THE

Supreme Court of the United States

OCTOBER TERM, 1959

No. 470

MERLIN M. EVANS, *Petitioner*

v.

ROBERT C. WATSON, ET AL., *Respondents*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

Merlin M. Evans, petitioner, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the District of Columbia Circuit approving the judgment of the United States District Court for the District of Columbia (JA 107). Judgment was entered in the District Court as of May 6, 1959 on the respondents' motion to dismiss the petitioner's complaint for a declaratory judgment to the effect that the amendment to Rule 1.345 of the rules of practice of the Patent Office promulgated under date of August 5, 1958 (23 Fed. Reg. 6199) which prohibited all ad-

vertising by registered patent attorneys whether they be lawyers or laymen (as the petitioner is), be declared to be void and of no effect because (1) it is inconsistent with existing acts of Congress; (2) because it exceeds the rule-making power of the Commissioner of Patents; (3) because it contravenes the congressional implementation of the policy of the Constitution of the United States which permits advertising by patent attorneys with a view to stimulating creativeness and encouraging inventions; and (4) because it interferes with the plaintiff's freedom of speech in violation of the First Amendment to the Constitution of the United States. The complaint requested an injunction against the Commissioner of Patents and the Secretary of Commerce restraining them from enforcing or attempting to enforce said amendment or to discipline the plaintiff or any other registered patent attorney because of an asserted violation of said amendment.

OPINIONS BELOW

The District Court made no findings of fact and conclusions of law and wrote no opinion. The order dismissing petitioner's complaint appears in the joint appendix at page 107. The opinion of the Court of Appeals is contained in the record at pages 110 to 114 inclusive and is not yet reported.

JURISDICTION

The opinion and judgment of the Court of Appeals were entered on July 16, 1959. The petitioner filed a petition for a rehearing in the Court of Appeals which was denied on September 23, 1959. (Record, pages 116 et seq.)

The jurisdiction of this Court is invoked under the provisions of 28 USC 1254, 62 Stat. 928.

The jurisdiction of the District Court was invoked under the Administrative Procedure Act, 5 USC 1001 et seq., the Federal Declaratory Judgment Act, 28 USC 2201 and the general equity powers of the Court, Section 11-305 of the District of Columbia Code, 1951 edition.

QUESTIONS PRESENTED

1. Did not the Commissioner of Patents exceed the rule-making power conferred upon him by 35 USC 6, 31 and 32 when he promulgated a rule forbidding all advertising for the solicitation of patent business by registered patent attorneys and agents (who, like the plaintiff may be non-lawyers) in view of the fact that 35 USC 6 requires that the rules made by the Commissioner must not be inconsistent with law and in view of the further facts (1) that Congress has repeatedly recognized that honest advertising by patent attorneys is lawful and permissible and is sanctioned and permitted under 35 USC 32 and (2) that the Patent Office for 75 years has administratively interpreted the law as permitting and sanctioning advertising?

2. Does not the Commissioner of Patents lack the authority under existing law to forbid advertising by non-lawyer registered patent attorneys and patent agents?

3. Did not the Commissioner of Patents in promulgating the amendments to rule 1.345 substitute his own notions of what is good and proper in the implementation of Article 1 Section 8 Clause 8 of the Constitution of the United States for the policy of permitting ad-

vertising theretofore established and confirmed by the Congress?

4. Did not the Commissioner of Patents usurp the power of Congress under Article 1 Section 8 Clause 8 in promulgating the amendments to Rule 1.345?

5. Did not the Congress clearly indicate its intention that registered patent attorneys and patent agents (who, like the petitioner, may be non-lawyers) might advertise, provided only that they do not act with fraudulent intent and that their advertising is not false, deceitful, threatening or misleading when it

(a) enacted the Act of July 4, 1884 dealing with the conduct of practitioners before the Interior Department, of which the Patent Office was then a part, in which statute advertising is mentioned and honest advertising is sanctioned;

(b) enacted the Act of April 27, 1916, which is now 5 USC 101, which proscribed certain advertising practices but whose legislative history shows a clear intent that honest advertising by patent attorneys be permitted;

(c) enacted the Act of February 18, 1922 (now 35 USC 31, 32) which made the Act of July 4, 1884 particularly applicable to practitioners before the Patent Office, upon the representation of the Commissioner of Patents that the Patent Office did not want to forbid honest advertising by patent attorneys;

(d) enacted the Act of May 9, 1938 which prohibited unregistered or disbarred persons from advertising as patent attorneys; and when it

(c) reinstated, in 1952, the clause regarding advertising by patent attorneys in the recodification and revision of the patent laws after the clause had been eliminated from a proposed draft printed for the use of the Committee on the Judiciary of the House of Representatives following subcommittee hearings at which the omission was called to the attention of the subcommittee and the subcommittee was requested by the advertising patent attorneys to leave the situation as it was, namely, that advertising by patent attorneys be permitted subject only to limited censorship by the Patent Office?

6. Did not the administrative and legislative interpretations of the Act of July 4, 1884 and of the statutes mentioned in Question 5 so jell around the concept that the law permitted honest advertising and that the Commissioner could prohibit only that advertising which is false, fraudulent, deceitful or menacing and which is done with fraudulent intent, that the Commissioner of Patents, acting pursuant to the recodified and revised patent laws of 1952 could forbid only that advertising which was done with fraudulent intent and which is false, fraudulent, deceitful or menacing?

7. Did not the Commissioner in promulgating the amendments to Rule 1.345 on August 8, 1958 show a deliberate disregard for the restrictions on arbitrary and unsanctioned rule-making by administrative officers expressed by the Supreme Court of the United States in *Kent* v. *Dulles*, 357 US 116, 2 L ed (2) 1204, 78 Sup Ct 1113, decided June 16, 1958?

8. Did not the amendment to Rule 1.345 of the rules of practice of the Patent Office, promulgated August 8, 1958 (23 Fed Reg 6199) forbidding all advertising

for the solicitation of patent business by registered patent attorneys (who, like the petitioner, may be non-lawyers), and the act of the Commissioner of Patents in threatening disciplinary action against the plaintiff in the event he should violate said rule (Watson letter, JA 66) constitute a "previous restraint" and an abridgment of the petitioner's freedom of speech as guaranteed by the First Amendment to the Constitution of the United States?

9. Does not the threat of the Commissioner of Patents to take disciplinary action against the petitioner in the event he violates the invalid Rule 1.345 (JA 66) constitute the taking of petitioner's property without due process of law.

CONSTITUTIONAL PROVISIONS, STATUTES AND RULES INVOLVED

Constitutional Provisions and Statutes

1. Constitution of the United States, Article 1, Section 8, Clause 8

"The Congress shall have the power

"To promote the Progress of Science and useful Arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

2. Constitution of the United States, Amendment I

"Congress shall make no law . . . abridging the freedom of speech or of the press."

3. Constitution of the United States, Amendment V

"No person shall be . . . deprived of life, liberty or property without due process of law."

4. Revised Statutes 483, Act of July 8, 1870, 16 Stat 200, Sec 19

"The Commissioner of Patents, subject to the approval of the Secretary of Interior, may from

time to time establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office."

5. Revised Statutes 487, Act of July 8, 1870, 16 Stat 200, Sec 17

"For gross misconduct the Commissioner of Patents may refuse to recognize any person as a patent agent, either generally or in a particular case but the reasons for such refusal shall be duly recorded and be subject to approval by the Secretary of the Interior."

6. Act of July 4, 1884, Rev. Stat 487, 23 Stat L. 98, 1 Suppl Rev. Stat Ch. 181 p. 453, 35 USC 31, 32

"That the Secretary of the Interior may prescribe rules and regulations governin, the recognition of agents, attorneys or other persons representing claimants before his Department and may require of such persons, agents, and attorneys, before being recognized as representatives of claimants, that they shall show that they are of good moral character and in good repute, possessed of the necessary qualifications to enable them to render such claimants valuable service, and otherwise competent to advise and assist such claimants in the presentation of their claims; and such Secretary may, after notice and opportunity for hearing, suspend or exclude from further practice before his Department any such person, agent, or attorney shown to be incompetent, disreputable, or who refuses to comply with the said rules and regulations, or who shall with intent to defraud, in any manner deceive, mislead, or threaten any claimant, or prospective claimant, by word, circular, letter, or by advertisement."

7. Act of April 27, 1916, c. 89 par. 1, 39 Stat 54, 5 USC 101

"It shall be unlawful for any person, firm or corporation practicing before any department or

office of the Government to use the name of any Member of either House of Congress or of any office of the Government in advertising the said business."

8. Act of February 18, 1922, 42 Stat 390, Sec 3, 35 USC 31, 32

"The Commissioner of Patents, subject to the approval of the Secretary of Interior, may prescribe rules and regulations governing the recognition of agents, attorneys or other persons representing applicants or other parties before his office, and may require of such persons, agents or attorneys, before being recognized as representative of applicants or other persons, that they shall show that they are of good moral character and in good repute, are possessed of the necessary qualifications to enable them to render to applicants or other persons valuable service, and are likewise competent to advise and assist applicants or other persons in the presentation or prosecution of their applications or other business before the Office. And the Commissioner of Patents may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before his office any person, agent or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who refuses to comply with the said rules and regulations, or who shall with intent to defraud in any manner, deceive, mislead or threaten any applicant or prospective applicant, or any other person having immediate or prospective business before the Office, by word, circular, letter or by advertising. The reasons for any such suspension or exclusion shall be duly recorded. And the action of the Commissioner may be reviewed upon the petition of the person so refused recognition or so suspended or excluded by the Supreme Court of the District of Columbia under such conditions and upon such proceedings as the said Court may by its rules determine."

9. Act of May 9, 1938, c. 188, 52 Stat 342, 35 USC 11a. (Repealed 1952. See 35 USC 33)

"It shall be unlawful for any person who has not been duly recognized to practice before the United States Patent Office in accordance with the provisions of section 11 of this title and the rules of the Patent Office to hold himself out or knowingly permit himself to be held out as a patent solicitor, patent agent, or patent attorney, or otherwise in any manner hold himself out, either directly or indirectly, as authorized to represent applicants for patent in their business before the Patent Office, and it shall be unlawful for any person who has, under the authority of section 11 of this title been disbarred or excluded from practice before the Patent Office, and has not been reinstated, to hold himself out in any manner whatever as entitled to represent or assist persons in the transaction of business before Patent Office or any division thereof; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine of not less than $50 and not exceeding $500."

10. Act of July 19, 1952, c. 950, § 1, 66 Stat 796, 35 USC 33

"Whoever, not being recognized to practice before the Patent Office, holds himself out or permits himself to be held out as so recognized, or as being qualified to prepare or prosecute applications for patent, shall be fined not more than $1,000 for each offense."

11. Act of July 19, 1952, c. 950, § 1, 66 Stat 793, 35 USC 6

"The Commissioner, under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the

granting and issuing of patents and the registration of trade-marks; and he shall have charge of property belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office."

12. Act of July 19, 1952, c. 950, § 1, 66 Stat 795, 35 USC 31

"The Commissioner, subject to the approval of the Secretary of Commerce, may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice and assistance in the presentation or prosecution of their applications or other business before the Office."

13. Act of July 19, 1952, c. 950, §1, 66 Stat 795, 35 USC 32

"The Commissioner may, after notice and opportunity for a hearing, suspend or exclude either generally or in any particular case, from further practice before the Patent Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 31 of this title, or who shall, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective applicant, or other person having immediate or prospective business before the Office. The reasons for

any such suspension or exclusion shall be duly recorded. The United States District Court for the District of Columbia, under such conditions and upon such proceedings as it by its rules determines, may review the action of the Commissioner upon the petition of the person so refused recognition or so suspended or excluded."

Rules

The attention of the Court is directed to the excerpts from published rules of the Patent Office which are included in the Joint Appendix at pages 91 to 101 inclusive and to Rule 1.345 as set forth at JA 5, 6 and Appendix 2(a).

STATEMENT OF THE CASE

The petitioner, Merlin M. Evans, is a non-lawyer who has been admitted to practice before the Patent Office since 1926. He is the sole surviving member of the firm of Victor J. Evans & Co. which has been registered for some 60 years.

The petitioner has used advertising in connection with his practice before the Patent Office since the date of his admission to practice, as indeed his father and his uncle had done before him. This advertising was lawful and proper under the appropriate Acts of Congress and the lawful rules of practice before the Patent Office.

In August of 1958 the Commissioner of Patents purported to promulgate an amendment to Rule 1.345 of the rules of practice before the Patent Office which would have the effect of prohibiting, as unprofessional conduct, the use of advertising material and which would have rendered patent attorneys using advertising material subject to suspension, exclusion or dis-

barment from further practice before the Patent Office. (23 Fed Reg 6199) The fundamental legal purpose of the petitioner's suit was to challenge the legal power and authority of the Commissioner of Patents thus to prohibit advertising and thus to impose stringent sanctions in the event advertising were employed. The suit was filed, of course, for the protection of petitioner's business as an advertising registered patent attorney. The petitioner claims that under the existing law the Commissioner did not have the power or authority to forbid all advertising by non-lawyer registered patent attorneys but only the power to forbid that advertising which is done with fraudulent intent and which is false, fraudulent, threatening or deceitful.

The jurisdiction of the District Court was predicated on the Administrative Procedures Act, 5 USC 1001 et seq, the Federal Declaratory Judgment Act, 28 USC 2201 et seq. and the jurisdiction of the United States District Court for the District of Columbia to issue injunctive process, against persons, including federal officers, subject to its jurisdiction as provided in Section 11-305 District of Columbia Code, 1951 edition.

Historical Background of Case

In order properly to understand the problems presented by this case it is important to look at the historical development of practice before the Patent Office. It is important to realize that although the petitioner is admitted and characterized as a patent "attorney", he is not a lawyer or a member of the legal profession, but is a layman. Nevertheless he is carried on the rolls of the Patent Office as a patent attorney. As used in the statutes and rules affecting

the Patent Office the expression "patent attorney" includes persons who are lawyers and persons who are not lawyers. (JA 91-101) In a partial effort to eliminate the confusion resulting from this use of the word "attorney", non-lawyers admitted to practice before the Patent Office after 1938 are called "patent agents".

Originally there was no requirement that a person have any particular training or skill in order to be authorized to represent other persons before the Patent Office. This situation existed from 1789 until 1897. (JA 91-93) Persons practicing before the Patent Office openly engaged in the solicitation of business and advertised widely. Before 1849 Munn & Co. had established "The Scientific American" magazine as a vehicle through which to advertise the availability of its services.

True, the Congress did enact, in 1870, the forerunner of what is now 35 USC 6 and what is now 35 USC 32 when it enacted Sections 483 and 487 of the Revised Statutes (Act of July 8, 1870, 16 Stat 200, Sec 19, 17) which gave the Commissioner of Patents the authority (with the approval of the Secretary of Interior) to make regulations *not inconsistent with law for the conduct of proceedings* in the Patent Office and gave the Commissioner of Patents (with the approval of the Secretary of the Interior) the power to refuse to recognize any person as a patent agent, either generally or in a particular case *for gross misconduct*.

It is also true that in 1884 the Congress had enacted a statute (Act of July 4, 1884, Rev Stat 487, 23 Stat L 98, 1 Supp. Rev. Stat. ch. 181 p. 453) giving the Secretary of the Interior the authority to prescribe rules

and regulations for the recognition of agents, attorneys and other persons representing claimants before his Department, of which the Patent Office was then a part. This statute authorized the establishment of the following qualifications for admission: "That they shall show that they are of good moral character and in good repute, possessed of the necessary qualifications to enable them to render such claimants valuable service and otherwise competent to advise and assist such claimants in the presentation of their claims". This statute also empowered the Secretary of the Interior to "suspend or exclude from further practice before his department any such person, agent or attorney shown to be incompetent, disreputable or who refuses to comply with the said rules and regulations *or who shall with intent to defraud in any manner deceive, mislead, or threaten any claimant or prospective claimant by word, circular, letter or advertisement*". (Emphasis Supplied)

Apparently there was some uncertainty from the time of its enactment that this statute applied to practice before the Patent Office. On August 12, 1884 the Patent Office published a new edition of its rules which provided

> "17 Any person of intelligence and good moral character may appear as the agent or the attorney in fact of an applicant upon filing a power of attorney". (JA 92)

This rule, which was merely a repetition of Rule 127 of August 1, 1869 (JA 91), remained in effect until June 18, 1897 when it was amended to read

> ". . . .
>
> An applicant may be represented by—

(a) Any person who at the date of approval of this rule is in good standing as a practitioner before the Patent Office;

(b) Any attorney at law in good standing in any court of record in the United States or in any of the States or Territories thereof;

(c) Any person of good moral character who shall show to the satisfaction of the Commissioner of Patents that he is duly qualified to act as attorney in the prosecution of cases before the Office."

This Rule 17 was amended on August 6, 1897 to provide for the establishment of a register of persons enrolled to practice before the Patent Office and to incorporate the provisions of the Act of July 4, 1884 with regard to qualifications to render valuable service to applicants for patents (JA 93).

It is significant that as late as 1897 the rules did not mention advertising, although there was pending before the Patent Office at that time the disbarment proceeding in the case of *John Wedderburn* who advertised widely in 3,000 magazines, newspapers and periodicals. *Wedderburn* was not disbarred or even criticized for advertising but was charged and disbarred for fraud in not performing the services which his clients had paid him to perform (80 Official Gazette 159; 12 App DC 485).

Advertising was first referred to in the Patent Office rules by way of Rule 22 (d) of the edition of the rules dated April 13, 1908 which merely set forth the language contained in Section 5 of the Act of July 4, 1884 (JA 96).

The practice having arisen among some patent attorneys of using the names and photographs of Con-

gressmen in their advertising, bills were introduced in Congress to prohibit this practice. In the Sixty-fourth Congress, S. 683 was prepared to meet this objection and, in form applying only to practitioners before the Patent Office, passed the Senate. In the House of Representatives it was broadened to read as follows:

> "It shall be unlawful for any firm, person or corporation practicing before any department or office of the Government to use the name of any member of either House of Congress or of any office of the Government in advertising the said business." (Act of April 27, 1916 c 89 par 1, 39 Stat 54, 5 USC 101)

The Chairman of the Committee in charge of this bill on the floor of the House of Representatives made it clear that Congress had permitted honest advertising and that the Commissioner of Patents could not outlaw this practice by rule because "they (the Patent Office) cannot make unlawful that which Congress has permitted to be considered lawful". (Congressional Record 64th Congress, 1st Session pp 6313 et seq.)

Rule 17 (h) of the rules of practice of the Patent Office as published October 1, 1918 (JA 97) provided as follows:

> "Every attorney registered to practice before the United States Patent Office shall submit to the Commissioner of Patents for approval copies of all proposed advertising matter, circulars, letters, cards, etc., intended to solicit patent business and if it be not disapproved by him and the attorney so notified within 10 days after submission, it may be considered approved.
>
> "Any registered attorney sending out or using any such matter, a copy of which has not been

submitted to the Commissioner of Patents in accordance with this rule or which has been disapproved by the Commissioner of Patents, shall be subject to suspension or disbarment so that the rule as amended will read as follows:" .

Rule 22 (d) of the same edition cited the language of the Act of July 4, 1884 with respect to the Commissioner's power to exclude persons from practice before the Patent Office for fraudulent, deceitful or threatening advertising.

Some practitioners objected to the censorship imposed by Rule 17 (h) of October 1, 1918 and maintained that the Act of July 4, 1884 did not apply to the Patent Office. They insisted that the Commissioner did not have any administrative control over advertising. The Commissioner of Patents went before Congress and asked that the doubts be removed by passing a statute making the Act of July 4, 1884 particularly applicable to practice before the Patent Office. This was done with the purpose of giving the Commissioner the power to censor advertising for the elimination of fraudulent and deceitful material. The Commissioner represented to Congress that "the Patent Office will not be and has not been against any advertising that is fair and honest" and "we do not want to stop honest advertising". (Hearings H.R. 210, 67th Congress May 12, 1921, p 17, JA 25 et seq) It was on the strength of these representations that Congress passed the Act of February 18, 1922 (42 Stat 390 Section 3) which made the Act of July 4, 1884 applicable to the Patent Office. This statute recognized the right of registered patent attorneys to employ honest advertising. It was broken down into two sections in 1952 and thus became 35 USC 31, 32. The Revisor noted

that there was no change in substance in the 1952 amendment.

In the 1920's it developed that certain persons who were not registered to practice before the Patent Office or who had been disbarred from said practice were advertising their ability to represent persons before the Patent Office. (See e.g. Hearings H.R. 5527, 70th Congress, 1st Session 1928) For many years the Commissioners of Patents implored Congress to enact legislation making advertising by unregistered and disbarred persons unlawful. In 1938 Congress finally enacted this legislation as the Act of May 9, 1938, c 188, 52 Stat 342 (formerly 35 US 11 (a) and now covered by 35 USC 33). This statute clearly recognized the right of registered patent attorneys to advertise the availability of their services.

In 1938 the Commissioner of Patents, Conway P. Coe, being importuned by the Patent, Trademark and Copyright Section of the American Bar Association to promulgate a rule forbidding all advertising by registered persons, replied that he would not do so "unless the present statute be clarified by amendment as it is his view that under it he does not have authority to do so, he having been advised that the portion of the existing law

> 'or who shall with intent to defraud in any manner, deceive, mislead or threaten any applicant or prospective applicant or other person having immediate or prospective business before the Office by word, circular, letter or by advertising'

are words which limit the broad disciplinary authority which the statute apparently intends to vest in him". (Report of the Committee on Ethics and Grievances

to the Section on Patent, Trade-mark and Copyright Law of the American Bar Association, 1939)

Between 1938 and 1951 the American Bar Association made many attempts to have advertising by registered persons fully prohibited. (See for example, Reports of American Bar Association, Volume 65 page 471) Hearings on proposed rules to that effect were held by the Patent Office but no such rule was promulgated. However, when the patent laws of the United States were before Congress for revision and recodification in 1951, Congressman Bryson of the Patent Subcommittee of the House Judiciary Committee introduced H.R. 3760 from which the references to advertising contained in the Act of July 5, 1884 as made particularly applicable to the Patent Office by the Act of February 16, 1922 (being the language quoted by Conway P. Coe in 1938, *supra*) were deliberately omitted. This omission was called to the attention of the Patent Subcommittee at a public hearing presided over by Congressman Bryson at which the representatives of the advertising patent attorneys requested Congress to leave the law as it was, namely, to permit advertising by patent attorneys subject only to the approval of advertising by the Patent Office as contemplated by the Act of February 18, 1922. (Hearings, H.R. 3760, 81st Congress, 1st Session, p 77, J.A 30 et seq)

Congress reinstated the above-quoted language regarding advertising in the bill pending before Congress. Senate Report 1979 dated June 27, 1952 indicates that the revision of the pertinent statute was merely a rearrangement of its language. The report stated "There has been no change in the substance in these sections". (US Code Congressional and Admin-

istrative News 82nd Congress, 2nd Session Vol 2, p 2398).

This historical background shows that from the very beginning of our Republic non-lawyers have been recognized as practitioners; that the law has never required professional status for practitioners; that advertising has been engaged in by practitioners; that Congress has recognized the practice of advertising and has permitted it to continue under certain congressional regulatory acts; that the Acts of Congress permit advertising which is not fraudulent or threatening; that Congress has adopted the view that honest advertising is permitted by law and that the Commissioner of Patents is without the power or authority altogether to forbid advertising by non-lawyers and other persons practicing before the Patent Office.

REASONS FOR THE ISSUANCE OF THE WRIT

The questions to be presented to this Court for consideration are broad in scope and extensive in their ramifications. They involve not only the fundamental question of freedom of speech but also the maintenance of the proper balance among the three coordinate branches of the Federal Government, and the maintenance of appropriate limitations and restrictions on the rule-making power of an administrative agency.

They raise the issue whether an administrative agency can declare that to be unlawful which Congress, by repeated legislative action, has held to be lawful.

They squarely raise the issue whether an administrative agency can ignore the rulings of the Supreme Court of the United States with respect to the limita-

tions of the rule-making powers of administrative agencies.

The questions squarely raise the issue whether an administrative agency may circumscribe the freedom of expression on the part of lay persons practicing before it when there is no Act of Congress which may be used as the predicate of such action and especially where the Congress by repeated action has recognized the right of lay persons so to express themselves.

It is clear that:

1. The petitioner (a non-lawyer), as an incident of his right of free speech, has the right to advertise unless that right is circumscribed by a valid law;

2. The Acts of Congress do not proscribe advertising by patent attorneys but, on the other hand, permit it;

3. The Commissioner has no authority to forbid advertising unless Congress has in some way conferred that power upon him;

4. But Congress has not conferred that power upon him; rather at the request of Commissioner Robertson in 1922 it withheld it;

5. The Commissioner's rule, having no proper predicate in law, is invalid;

6. For the Commissioner to promulgate a rule forbidding advertising and to threaten disciplinary proceedings for the exercise of the petitioner's right of free speech under his invalid rule is to impose a previous restraint and an unlawful limitation upon the appellant's freedom of speech.

The present case strongly suggests the case of *Hannegan v. Esquire, Inc.*, 327 US 146, 66 S Ct 456, 90 L ed 586 in which this Court was required to remind the Postmaster General that he was not authorized under law to impose his notions of what constituted good taste in literature upon persons who desired to obtain the benefits of second-class mailing privileges afforded to persons meeting certain requirements established by Congress.

The case presents the question whether it is Congress or the Commissioner of Patents who has the right to determine what implementation shall be given to Article 1 Section 8 Clause 8 of the Constitution. That clause gives to Congress the power,

> "To promote the Progress of Science and useful Arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries".

Congress has legislated with respect to the implementation to be given that clause. In its legislation Congress has recognized advertising as a spur to invention and has permitted honest advertising by patent attorneys as part of the implementation given to this clause. When he forbade all advertising by patent attorneys the Commissioner of Patents invaded the province of Congress and went counter to the patent policy established by Congress pursuant to the constitutional provision. (Compare, *Hannegan* v. *Esquire Inc.*, supra)

Among the questions raised by this petition is whether the Commissioner of Patents did not fail or refuse to recognize and abide by the limitations upon administrative rule-making power laid down by the

Supreme Court of the United States in the case of *Kent* v. *Dulles*, 357 US 116, 2 L ed (2) 1204 (1958).

The *Kent* case arose because the State Department denied *Kent* a passport, basing its denial on a regulation adopted by the Secretary of State allegedly acting pursuant to an Act of Congress. The regulations prevented the issuance of passports to communists. *Kent* was alleged to be a communist.

The 1926 law contained the following broad language:

> "The Secretary of State may grant and issue passports . . . . under such rules as the President shall designate and prescribe for and on behalf of the United States, and no other person shall grant, issue or verify such passports".

In 1952 the statute had been amended to make passports necessary for foreign travel.

The Supreme Court of the United States analyzed the situation carefully and stated:

> "The difficulty is that while the power of the Secretary of State over the issuance of passports is expressed in broad terms, it was apparently long exercised quite narrowly. So far as material here, the cases of refusal of passports generally fell into two categories. First, questions pertinent to the citizenship of the applicant and his allegiance to the United States had to be resolved by the Secretary, for the command of Congress was that 'No passport shall be granted or issued to or verified for any other persons than those owing allegiance, whether citizens or not, to the United States'. 32 Stat 386, 22 USC Sec 212. Second was the question whether the applicant

was participating in illegal conduct, trying to escape the toils of the law, promoting passport frauds, or otherwise engaging in conduct which would violate the laws of the United States. See 3 Moore, International Law Digest (1906), Sec 512; 3 Hackworth, Digest of International Law (1942), Sec 268; 2 Hyde, International Law (2d rev ed), Sec 401.

"The grounds for refusal asserted here do not relate to citizenship or allegiance on the one hand or to criminal or unlawful conduct on the other. Yet, so far as relevant here, those two are the only ones which it could fairly be argued were adopted by Congress in light of prior administrative practice. One can find in the records of the State Department rulings of subordinates covering a wider range of activities than the two indicated. But as respects Communists these are scattered rulings and not consistently of one pattern. We can say with assurance that whatever may have been the practice after 1926, at the time the Act of July 3, 1926, was adopted, the administrative practice, so far as relevant here, had jelled only around the two categories mentioned. We, therefore, hesitate to impute to Congress, when in 1952 it made a passport necessary for foreign travel and left its issuance to the discretion of the Secretary of State, a purpose to give him unbridled discretion to grant or withhold a passport from a citizen for any substantive reason he may choose". (Taken from 2 L ed (2) 1204, 1211)

The Court concluded:

"Since we start with an exercise by an American citizen of an activity included in constitutional protection, we will not readily infer that Congress gave the Secretary of State unbridled discretion to grant or withhold it". (2 L ed (2) 1204, 1212)

And the Court pointed out:

> "As we have seen, the right of exit is a personal right included within the word "liberty" as used in the Fifth Amendment. If that liberty is to be regulated, it must be pursuant to the law-making functions of Congress". (2 L ed (2) 1204, 1212)

In this case the fundamental right is that of freedom of speech guaranteed by the First Amendment to the Constitution. It cannot be limited except by a valid Act of Congress or by a regulation duly authorized by a valid Act of Congress.

Here, as in *Kent*, the authorization to the Commissioner of Patents to make rules is stated in broad terms, although here there is the narrowing language with regard to false, fraudulent, deceitful and threatening advertising.

Here, as in *Kent*, although the language might have been broad, the interpretation and application had been narrow and in fact in this case the administration and application had "jelled" around the prohibition only of fraudulent, deceitful and threatening advertising.

Congress in 1952 amended and recodified the Patent Laws. It reinstated the language which had been dealt with administratively as permitting advertising on the representation that its omission might be used as the basis for making a rule forbidding advertising.

This Court will not, under the circumstances impute to Congress a purpose to give the Commissioner "unbridled discretion" in the matter of forbidding advertising.

When it is remembered that the Revisor's note to 35 USC 31 and 32 stated that no change in the law was contemplated by the rearrangement of language, in 1952, one must be impressed by the fact that, as in *Kent*, administrative interpretation and legislative action had "jelled" the Commissioner's rule-making power in a restricted mold and the Act of 1952 did not enlarge that mold.

It follows that the Congress has not at any time given the Commissioner the power to forbid all advertising, that legislatively and administratively his power has been given restrictive effect, and that his rule which attempts to forbid all advertising is void because it exceeds the limits placed thereon by Congress just as in *Kent* the Secretary of State's rules were held to exceed the statutory grant of power.

The application of the *Kent* case to this factual situation points out the importance, the breadth and scope of the problem presented by the present case. This case presents no academic problem, nor is it one restricted in its applicability to a few hundred advertising patent attorneys. The question here *is whether any and all administrative agencies may ignore the limitations upon rule-making power imposed by the decisions of this Court.* The question, stated in another way, is whether the opinions of this Court have any binding effect upon administrative agencies of the Federal Government.

The Court should grant the petition for certiorari in this case for the purpose of clearly establishing for administrative agencies a minimum set of standards which they must adhere to in exercising their rule-making functions. One of those standards should be

the recognition of the appropriate decisions and opinions of the Supreme Court of the United States.

Another standard should be predicated upon the employment of proper rules of statutory interpretation.

The Commissioner of Patents and the lower courts which dealt with this case applied improper rules of statutory construction in this case.

The Commissioner and the lower courts all ignored the legislative history of 35 USC 6, 31 and 32 which, upon examination, shows that the statute under which the Commissioner purported to act had been in force and effect for seventy-five years, had consistently been administratively interpreted as authorizing advertising, and that Congress had, on several occasions, considered the statute in the light of interpretations which permitted advertising and on each occasion had continued its approval of advertising by patent attorneys.

This case squarely raises the question whether there is a duty upon administrative agencies and the lower Federal Courts to follow the decisions of the Supreme Court of the United States with respect to the interpretation of statutes.

Both before the Commissioner and before the lower courts the petitioner urged that a proper application of *United States* v. *Zucca*, 351 US 91, 100 L ed 946, *United States* v. *Leslie Salt*, 350 US 383, 100 L ed 441 and *Kent* v. *Dulles*, *supra*, required that the rule forbidding all advertising by patent attorneys be held to be in conflict with 35 US 6, 31 and 32.

United States v. *Zucca*, stands for the proposition that the administrative interpretation of a statute by the officer charged with administering it is entitled

to great weight. Here we have seventy-five years of administration based on the interpretation that fraudulent advertising was forbidden but honest advertising was permitted.

Leslie Salt stands for the proposition that where there has been administrative practice of a consistent pattern, (especially where the interpretation as here might stem from contemporaneous construction) and where the original interpretation has had express and implied congressional acquiescence, a reversal of administrative interpretation is improper.

Kent v. *Dulles* stands for the proposition that where the statute may be couched in general terms but administrative practice has jelled around a few specific categories within the possible ambit of the general language, when Congress re-enacts a statute giving the administrative officer authority in general terms, the Congress does not mean to give the administrative officer the unbridled discretion to grant or withhold a given right or privilege for any substantive reason he may choose, but only for those causes around which the practice has jelled.

Applying these three cases to the present case it is clear

A) That beginning as a contemporaneous construction and continuing for 75 years the Patent Office had interpreted the Act of July 4, 1884 as permitting advertising by patent attorneys.

B) This interpretation was repeatedly called to the attention of Congress and Congress both directly and impliedly acquiesced in it.

C) As a result of the long-applied administrative interpretation and the repeated acquiescence therein

by Congress, administrative practice had jelled around the idea that the administrator's authority to forbid advertising was restricted to that which was false, fraudulent, deceitful or threatening.

D) When Congress reenacted and codified the Patent Laws in 1952, its attention having been called to this restrictive interpretation, and the language respecting advertising having been reinstated in the statute by Congress at the request of the advertising patent attorneys, Congress showed very clearly that it intended to adopt the restrictive interpretation regarding advertising which the statute had required throughout the years. Under this restrictive interpretation the Commissioner could not forbid honest advertising by patent attorneys.

All of this administrative and legislative history was brusquely pushed aside by the Commissioner and the lower courts.

The Circuit Court's opinion gives no effect to the many editions of Patent Office Rules wherein the prohibition of advertising was restricted to that which was false, fraudulent, deceitful or threatening.

The Circuit Court's opinion fails to give proper effect to the Act of April 27, 1916, c. 89 par. 4, 39 Stat 54, 5 USC 101 which was a statute to forbid particular advertising practices by patent attorneys. It fails to give effect to the statement by the chairman of the committee in charge of that bill in the House of Representatives that advertising by patent attorneys was not regulated by law and that there were limitations on the Commissioner's rule-making power by reason of the fact that advertising was permitted and the Commissioner "cannot make that unlawful which

Congress has permitted to be considered lawful". (JA 22 et seq.)

The Circuit Court in its opinion fails to give effect to the representation of Commissioner of Patents Robertson when he requested the Congress to make the Act of July 4, 1884 particularly applicable to the practitioners before the Patent Office. This resulted in the enactment of the Act of February 18, 1922 which is really the direct legislative basis for the rules regulating the admission and exclusion of persons practicing before the Patent Office. It is from this statute that 35 USC 31 and 32 directly stem. Commissioner Robertson assured the Congress that the Patent Office did not want to prevent legitimate advertising by attorneys but did want to prevent deception and fraud. (JA 27) He specifically stated "We do not want to stop honest advertising". It was on the basis of these representations that the statute was passed. (JA 28) The opinion of the Circuit Court allows the Patent Office to act in violation of its representations and promises to Congress.

The Circuit Court's opinion failed to give effect to the Hearings on HR 5527 Seventieth Congress, First Session (1928) (JA 36) and to the Act of May 9, 1938 c. 188, 52 Stat 342, 35 USC 11(a) (now 35 USC 33) which recognized the right of enrolled persons to advertise but forbade persons who had been disbarred or who had never been enrolled from advertising. (JA 28, 29)

The opinion failed to give adequate weight to the opinion of Conway P. Coe in 1939 when he advised the American Bar Association Patent Law Section that he did not have the legislative authorization on which

to base a rule which would forbid all advertising. (JA 29, 30)

The decision fails to give effect to the clear intention of Congress at the time it recodified and amended the Patent Laws in 1952. The draft bill on which the Congress held hearings omitted all reference to advertising by patent attorneys. The advertising patent attorneys called this omission to the attention of the Congressional committee, explained that the omission was due to the activity of the American Bar Association, pointed out that the omission of the phrase would be used as the justification for a rule prohibiting advertising and requested that the present status of the law be maintained so that attorneys might advertise subject only to the approval of their advertising as non-fraudulent by the Patent Office. The Congress reinstated the clause dealing with advertising, thus indicating in the clearest possible way its intention that honest advertising be permitted.

From the foregoing it is apparent that the Circuit Court gave scant attention to the legislative history, purpose or intent of Sections 6, 31 and 32 of Title 35 United States Code and in effect substituted its own estimate of what is desirable for what the Congress has said that the law actually is. This is not a proper function of a court which has the duty of reviewing the rule-making activities of an administrative agency.

The Circuit Court made the very obvious error of relying on the validity of certain regulations made by the Treasury Department, the Veterans Administration and the Interior Department, none of which has been attacked or judicially determined to be valid (R 114). The Court stated that the statutes under which those regulations had been promulgated were

essentially similar to the patent statute. This is an egregiously erroneous conclusion. Although the statutes might have had a common source in pension scandals following the Civil War they have long since had separate histories. The history of the patent statute and its transmutations is extensive and unique. That history is set out in skeleton form at page 36 of the Joint Appendix.

None of the agencies whose rules were cited by the Circuit Court has such a detailed history of the legislative purpose and intent to permit advertising by persons practicing before it. And no other agency has a history of administrative recognition over seventy-five years of the right to advertise with congressional acquiescence in the right to advertise.

Rule 1.345 being invalid because it is not in conformity with law and because it is in excess of the rule-making power of the Commissioner of Patents, it follows that the threat of the Commissioner of Patents (JA 66) to apply disciplinary measures against the petitioner in the event he continued to advertise was already an unwaranted invasion of the petitioner's business rights and constituted an unlawful taking of his property in violation of Article V to the Constitution of the United States.

It is submitted that this case furnishes a instance of administrative discretion run riot. It is important that this Court protect the cherished freedom of speech on the part of the individual against the unbridled discretion of an administrator who is restive under the restraints imposed upon him by Congress. (Cf. *Hannegan v. Esquire Inc.*, 327 U.S. 146, 66 S. Ct. 456, 90 L.ed 586) It is important that this Court decide now for the protection of the people of the United States

whether administrative agencies may make rules which Congress has clearly indicated that they may not make. It is important that the administrative agencies and lower courts should be reminded that when the Supreme Court of the United States lays down restrictions on the rule-making powers of administrative agencies, it expects that the limitations delineated will be observed by the administrative agencies and lower courts. It is also important that this Court should once again remind the administrative agencies and the lower courts that, in performing their functions, they shall apply to the statutes coming before them for application or interpretation the rules of statutory construction which have been approved by this Court.

CONCLUSION

It is respectfully submitted that the petition for certiorari should be granted.

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